

# INTRODUCTION

The City of Greensboro Budget contains the City Manager's budget message, Council strategic priorities, a description of the budget process, a total budget summary section and fund summary section, a capital improvements and debt service fund section, supplemental information and funding information for the six major service area categories: Culture and Recreation, Economic and Community Development, Environmental Protection, General Government, Public Safety and Transportation.

The City of Greensboro Budget is designed to highlight and emphasize service areas and programs, providing descriptions, objectives and summary costs for major activities. The budget is developed in conjunction with the work planning process, which requires the revision and maintenance of organizational priorities so that they may remain consistent with the challenges this organization will face during the two years immediately following budget adoption.

The City Manager's budget message summarizes the major issues facing the City of Greensboro and the budget impact on the tax rate and existing service levels. (Note: The Manager's Message refers to the budget as originally submitted by the City Manager for City Council's consideration).

The budget summary section contains budget appropriations and revenues in table and graphic form. A summary of significant changes in funding levels and revenue sources, as well as changes in the property tax rate and in full time positions, are detailed in the summary section. The fund summary section explains various fund categories and lists expenditures for each fund from actual expenditures

in FY 2002-2003 through projections for FY 2005-2006. This section also provides additional budget highlights for individual funds.

Each service category contains associated organizational units (departments or divisions) and a description of major programs and activities under those units.

Included in this description are a listing of key performance objectives and associated performance measures; a summary of appropriations by the three major expenditure categories (Personnel Costs, Maintenance & Operations and Capital Outlay) and a summary of major revenues from actuals in FY 02-03 to projections in FY 05-06. Also included is a summary of total positions since FY 03-04; and budget highlights, including explanations of increases or decreases in appropriations.

The Capital Improvements/Debt Service section explains the relationship between the annually adopted six-year Capital Improvements Program and the Annual Budget including the impacts of capital projects on the operating budget. This section also contains information on the Debt Service Fund and annual debt service requirements.

The information in the document was prepared by the City of Greensboro Budget and Evaluation Department. For additional information you may contact:

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# BUDGET PROCESS

## ***Budget Adoption***

The City of Greensboro Budget is adopted by ordinance in accordance with North Carolina General Statutes which require that estimated revenues and appropriated fund balances be equal to appropriations. The budget is developed on a cash basis, including only expenditures and revenues expected to be realized during the fiscal year. The budget is adopted, however, on a modified accrual basis with sufficient appropriations for encumbrances (outstanding purchase orders and contracts as of June 30) carried over into the new year. All operating funds reasonably expected to be received are included in the Budget Ordinance and are expended in accordance with the adopted ordinance. State statute also sets the fiscal year as beginning July 1 and ending June 30. Therefore, City Council must adopt a budget before July 1 of each year.

Developed on a program basis, the budget depicts all services provided by the City and resources allocated for the provision of these services. Organizational strategic priorities are developed by City Council and City staff and are used as major guidelines in the development of funding recommendations. The programs outlined in the budget are implemented by the various departments and offices within the City organization.

## ***Budget Amendments***

City Council is permitted by state statute to amend the Budget Ordinance anytime during the fiscal year. These amendments must continue to adhere to the balanced budget statutory requirements and can not change the property tax levy or in any manner alter a taxpayer's liability.

The City of Greensboro Budget is a program based budget, but is adopted by funds. Ordinances approved by City Council are required to increase or decrease appropriations in any fund. Budget adjustments within the same fund may be approved by the Budget Officer and reported to City Council.

## ***Budget Maintenance***

In accordance with the General Statutes of the State of North Carolina, the City prepares and adopts its

budget on the modified accrual accounting basis. The City of Greensboro Budget is developed by accounts which relate to the City's financial accounting system in accordance with generally accepted accounting principles (GAAP). Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Budget expenditures are controlled through the City's accounting system and the purchase order system. Departments have flexibility in divisional expenditures within major categories, such as maintenance and operations expenditures. All encumbrances on the accounting system on June 30 automatically carry over into the next year's budget cycle. During the year, budget adjustments between divisions and account groups are reviewed by the Budget and Evaluation Department and approved adjustments are reported to City Council.

## ***Budget Calendar***

The City of Greensboro budget process begins in October with the development of proposed new and revised capital improvements projects and the identification of key departmental issues. Usually in late fall, a City Council/Staff Planning Conference is held to review the financial condition and budget forecasts for the City and to develop budget priorities and management objectives for the upcoming budget process. In May, the Recommended Capital Improvements Program (CIP), a six year planning document outlining major, non-recurring projects requiring multiple year financing, and the Recommended Budget are presented to City Council.

Important steps in the development of the two year budget are given on the following page.



## Budget Process

Fall

November

January

February

March/April

May

May/June

June

July

